AUDIT REPORT AND FINANCIAL STATEMENTS

June 30, 2012

For the Fiscal Year Ended June 30, 2012

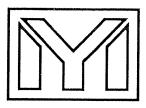
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For the Fiscal Year Ended June 30, 2012

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YERKES & MICHELS, CPA, LLC CERTIFIED PUBLIC ACCOUNTANTS

John D. Carroll, CPA Carmen R. Duroni, CPA

Randy Hoffman

American Institute of Certified Public Accountants Kansas Society of Certified Public Accountants An Independent C.P.A. Firm

INDEPENDENT AUDITOR'S REPORT

Board of Education Unified School District No. 436 Caney, Kansas 67333

We have audited the accompanying statutory basis financial statements of the individual funds of the Unified School District No. 436, Caney, Kansas, as of and for the year ended June 30, 2012, as listed in the table of contents. These statutory basis financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A-3, the School District prepared these statutory basis financial statements using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the statutory basis financial statements of the differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the statutory basis financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 436, Caney, Kansas, as of June 30, 2012, or changes in financial position or cash flows thereof for the year then ended.

Also, in our opinion, the statutory basis financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of Unified School District No. 436, Caney, Kansas, as of June 30, 2012, and their respective cash receipts and expenditures and budgetary results for such funds for the year then ended on the basis of accounting described in Note A-3.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the statutory basis financial statements of Unified School District No. 436 taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the statutory basis financial statements. The Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings are presented for the purpose of additional analysis and are not a required part of the statutory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note A-3.

YERRES & MICHELS, CPA, LLC

January 24, 2013

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

Funds	General Fund Supplemental General Fund	Special Revenue Funds: Vocational Education Eund	Special Education Fund	Driver Training Fund	At Risk (K-12) Fund	At Risk (4 Yr. Old) Fund	Food Service Fund	Capital Outlay Fund	Parent Education Fund	Professional Development Fund	Bilingual (ESOL) Education Fund	KPERS Retirement Contribution Fund	Small Grants Fund	Virtual Education Fund	Recreation Commission Fund	Recreation Emp. Comm. Benefit Fd.	Contingency Reserve Fund	Indian Education Fund	Advanced Placement Program Fund	Title I Fund	Title II A -Teacher Quality Fund	Title V - Charter School 2010-11 Fund	Title V - Charter School 2010 Fund	District Activity Funds	Trust Funds:	J R Brown Scholarship Fund	Charles Lingle Sch. Fund	Sam J. & Hattie Woods Sch. Fd.	Debt Service Fund:	Bond and Interest Fund	2,750,316.34 TOTAL REPORTING ENTITY (Excluding Agency Funds)
Ending Cash Balance June 30, 2012	\$ 99,600.41 (280,351.99 \$	Sp. 188 415 80	390,396.79	24,677.20	185,950.68	3,104.78	162,534.73	860,156.64	10,600.00	1,993.92	0.51	•	17,009.35	80,142.00	35,908.89	2,360.87	347,999.54	13,951.23	7,312.66	(13,549.16)	316.88	73.75	735.60	21,710.84	Ļ	17,422.58	869.38	10,181.81		86.67	\$ 2,750,316.34 TC
Outstanding Encumbrances and Accounts Payable	\$ 99,600.41	475.00					42,228.09	18,210.02		1,516.00				6,320.00	30,555.59	2,316.79		13,951.23	7,277.32	15,778.00	316.88	73.32	735.60								\$ 466,234.27
Ending Unencumbered Cash Balance June 30, 2012	\$ 53,471.97	187,940,80	390,396.79	24,677.20	185,950.68	3,104.78	120,306.64	841,946.62	10,600.00	477.92	0.51	1	17,009.35	73,822.00	5,353.30	44.08	347,999.54		35.34	(29,327.16)	•	0.43	•	21,710.84		17,422.58	869.38	10,181.81		86.67	\$ 2,284,082.07
Expenditures	\$ 5,982,313.87 1,060,000.00	276.280.20	781,013.98	14,709.47	572,914.28	67,854.63	433,970.00	167,307.30	400.00	13,367.65	5,000.00	467,543.56		67,500.44	106,665.00	7,165.00	259,772.00	98,143.00	9,756.00	168,485.91	37,970.90	3,357.00		219,138.08		200.00	250.00	200.00			\$ 10,821,878.27
Cash Receipts	\$ 5,982,313.54 1,061,759.55	338,500.00	773,096.02	36,794.00	708,034.73	60,000.00	451,065.24	177,936.51	11,000.00		5,000.00	467,543.56		76,000.00	102,920.80	6,665.52		98,143.00	10,931.00	179,370.00	43,448.00	17,902.00		222,767.83		37.28	1.02	28.48			\$ 10,831,258.08
Prior Year Cancelled Encumbrances																															υ
Beginning Unencumbered Cash Balance July 1, 2011	\$ 0.33	125,721.00	398,314.75	2,592.67	50,830.23	10,959.41	103,211.40	831,317.41	F	13,845.57	0.51	i	17,009.35	65,322.44	9,097.50	543.56	607,771.54	•	(1,139.66)	(40,211.25)	(5,477.10)	(14,544.57)	ı	18,081.09		17,885.30	1,118.36	10,653.33	!	86.67	\$ 2,274,702.26
Funds	General Fund Supplemental General Fund	Special Revenue Funds: Vocational Education Fund	Special Education Fund	Driver Training Fund	At Risk (K-12) Fund	At Kisk (4 Yr. Old) Fund	Food Service Fund	Capital Outlay Fund	Parent Education Fund	Professional Development Fund	Bilingual (ESOL) Education Fund	KPERS Retirement Contribution Fund	Small Grants Fund	Virtual Education Fund	Recreation Commission Fund	Recreation Comm. Employee Benefit Fund	Contingency Reserve Fund	Indian Education Fund	Advanced Placement Program Fund	I Itle I Fund	Title II A -Teacher Quality Fund	Title V - Charter School 2010-11 Fund	Title V - Charter School 2010 Fund	District Activity Funds	I rust Funds:	J R Brown Scholarship Fund	Charles Lingle Scholarship Fund	Samuel J. & Hattie Woods Scholarship Fd.	Debt Service Fund:	bond and interest Fund	TOTAL REPORTING ENTITY (Excluding Agency Funds)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT $^{\rm 44\,\textsc{-}}$

UNIFIED SCHOOL DISTRICT NO. 436 CANEY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

\$ 860,915.23 54,691.82 17,823.88 534.79 5,596.55 1,000.00 1,500.00	\$ 850,995.92	\$ 1,038,473.77 \$ 2,832,531.96	(82,215.62)
	\$ 835,716.50 15,279.42	\$ 500,000.00 500,000.00 17,422.58 10,181.81 869.38 5,000.00 5,000.00	
COMPOSITION OF CASH: Primary Government Arvest Bank, Caney, Kansas Checking Account No. 025682 - Operating Checking Account No. 037281 - Elementary School Checking Account No. 037281 - Elementary School Checking Account No. 47872 - Elementary School Checking Account No. 13230977 - Charter School Petty Cash Checking Account No. 025690 - Board Office Petty Cash Checking Account No. 036234 - High School Petty Cash Checking Account No. 036286 - Elementary School	Money Market Account No. 14696837 Money Market Account No. 068152	Certificate of Deposit No. 1013817673 Certificate of Deposit No. 1013873913 Certificate of Deposit No. 231238195 Certificate of Deposit No. 245211 Certificate of Deposit No. 480940274 Certificate of Deposit No. 700094129 Certificate of Deposit No. 100194943531	Less: Agency Funds TOTAL REPORTING ENTITY (Excluding Agency Funds)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT -5-

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

	General Supplemental General Fund	Special Revenue Funds:	Vocational Education Fund	Special Education Fund	Driver I raining Fund	-12) Fund	At Risk (4 Yr.Old) Fund	ice Fund	Capital Outlay Fund	Parent Education Fund	Professional Development Fund	Bilingual (ESOL) Education Fund	KPERS Retirement Contribution Fund	ofs Find	Virtual Education Fund	Recreation Commission Fund	
Fund	General Supplementa	Special Rev	Vocational	Special Ec	Driver Ira	At Kisk (K-12) Fund	At Risk (4	Food Service Fund	Capital On	Parent Edi	Profession	Bilingual (F	KPERS Re	Small Grants Fund	Virtual Edi	Recreation	
Variance Under (Over)	0.13	9	187,940.00	311,512.02	3,806.53	117,915.72	3,105.37	85,010.00	547,692.70	10,600.00	478.35	,	33,694,44	1,100.00	53,821,56		
Expenditures Chargeable to Current Year	\$ 5,982,313.87 \$ 1,060,000.00		20,281.00	44 700 47	14,709.47	5/2,914.28	67,854.63	433,970.00	167,307.30	400.00	13,367.65	5,000.00	467,543,56		67,500,44	106,665.00	
Total Budget for Comparison	\$ 5,982,314.00 1,060,000.00	00 800	464,421.00	1,092,326.00	00.010,01	00.0520.00	70,960.00	518,980.00	715,000.00	11,000.00	13,846.00	5,000.00	501,238.00	1,100.00	121,322.00	106,665.00	1
Adjustment for Qualifying Budget Credits	\$ (66,956.00)		ſ	1	,	1		į	1	•	•	i	,	1	1	•	
Adjustment to Comply With Legal Max																	
Certified Budget	\$ 6,049,270.00 1,060,000.00	464 221 00	1 002 526 00	18 516 00	600 830 00	20.000.00	00.096,07	518,980.00	715,000.00	11,000.00	13,846.00	5,000.00	501,238.00	1,100.00	121,322.00	106,665.00	7 185 00
Fund	General Fund Supplemental General Fund	Special Revenue Funds: Vocational Education Fund	Special Education Find	Driver Training Fund	At Risk (K-10) Fund	A+ Dick (4 Xr Old) Eurad	At Risk (4 11.0id) Fund	Food Service Fund	Capital Outlay Fund	Parent Education Fund	Professional Development Fund	Bilingual (ESOL) Education Fund	KPERS Retirement Contribution Fund	Small Grants Fund	Virtual Education Fund	Recreation Commission Fund	Recreation Employee Benefit Euro

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

GENERAL FUND

		CURRENT YEAR								
	Prior			Variance						
	Year			Over						
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>						
CASH RECEIPTS										
Ad Valorem Tax	\$ 508,284.76	\$ 526,563.41	\$ 482,280.00	\$ 44,283.41						
Delinquent Tax	25,178.59	22,146.11	12,153.00	9,993.11						
Other Taxes	4,161.82	10,316.02	8,026.00	2,290.02						
ARRA Stabilization Funds	105,552.00	· -	,	-						
ARRA Education Jobs Funds	184,821.00	2,797.00		2,797.00						
State of Kansas – General Aid	4,542,851.00	4,638,687.00	4,712,228.00	(73,541.00)						
State of Kansas - Special Education	447,250.00	522,032.00	584,211.00	(62,179.00)						
Transfers	·	259,772.00	259,772.00							
TOTAL CASH RECEIPTS	\$ 5,818,099.17	\$ 5,982,313.54	\$ 6,058,670.00	\$ (76,356.46)						
EXPENDITURES										
Instruction	\$ 2,355,035.85	\$ 2,664,715.95	¢ 0.750.244.00	\$ (94,625.05)						
ARRA Salaries	290,373.00	2,797.00	\$ 2,759,341.00	. , , , , , , , , , , , , , , , , , , ,						
Student Support Services	130,370.12	138,652.93	140,910.00	2,797.00						
Instructional Support Staff	153,957.34	148,656.57	150,410.00	(2,257.07) (1,753.43)						
General Administration	230,309.98	253,925.51	244,510.00	9,415.51						
School Administration	331,117.41	332,004.78	366,470.00	(34,465.22)						
Operations and Maintenance	421,437.55	404,806.28	436,695.00	(31,888.72)						
Other Support Services	161,000.88	143,598.83	189,613.00	(46,014.17)						
Transportation	273,324.23	310,314.47	320,110.00	(9,795.53)						
Architect Fees	2,370.00	95.82	320,110.00	95.82						
Transfers	1,468,802.64	1,582,745.73	1,441,211.00	141,534.73						
Adjustments to comply with Legal Max	1,400,002.04	1,002,140.10	(66,956.00)	66,956.00						
rajustinonte la compiy with Logar Max			(60,000.00)	00,000.00						
TOTAL EXPENDITURES	\$ 5,818,099.00	\$ 5,982,313.87	\$ 5,982,314.00	\$ (0.13)						
OAGU BEGEIRTO OVER (UNDER)										
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 0.17	\$ (0.33)								
UNENCUMBERED CASH, BEGINNING	0.16	0.33								
UNENCUMBERED CASH, ENDING	\$ 0.33	\$ (0.00)								

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

SUPPLEMENTAL GENERAL FUND

		CURRENT YEAR									
	Prior Year			Variance Over							
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Under)							
CASH RECEIPTS											
Ad Valorem Tax	\$ 409,410.00	\$ 393,934.04	\$ 386,723.00	\$ 7,211.04							
Delinquent Tax	20,504.45	29,194.12	9,954.00	19,240.12							
Motor Vehicle Tax	49,845.63	50,970.60	58,042.00	(7,071.40)							
Recreational Vehicle Tax	945.14			-							
Other Taxes	2,595.05	4,102.79	1,068.00	3,034.79							
State of Kansas	576,213.00	583,558.00	571,254.00	12,304.00							
Miscellaneous		had	-	-							
TOTAL CASH RECEIPTS	\$ 1,059,513.27	\$ 1,061,759.55	\$ 1,027,041.00	\$ 34,718.55							
EXPENDITURES											
Instruction	\$ 76,574.24	\$ 115,103.11	\$ 184,000.00	\$ (68,896.89)							
General Administration	74,781.73	60,189.51	82,000.00	(21,810.49)							
Operations and Maintenance	630,406.64	417,065.10	368,110.00	48,955.10							
Other Support Services	34,088.62	33,151.59	35,000.00	(1,848.41)							
Transfers	244,148.77	434,490.69	390,890.00	43,600.69							
TOTAL EXPENDITURES	\$ 1,060,000.00	\$ 1,060,000.00	\$ 1,060,000.00	\$ -							
CASH RECEIPTS OVER (UNDER)											
EXPENDITURES	\$ (486.73)	\$ 1,759.55									
UNENCUMBERED CASH, BEGINNING	52,199.15	51,712.42									
UNENCUMBERED CASH, ENDING	\$ 51,712.42	\$ 53,471.97									

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

VOCATIONAL EDUCATION FUND

			CURRENT YEAR								
	Prior Year <u>Actual</u>			<u>Actual</u>		<u>Budget</u>		Variance Over <u>(Under)</u>			
CASH RECEIPTS Transfers SEKESC Miscellaneous	\$	295,797.64 4,613.67	\$	338,500.00	\$	338,500.00	\$	- - -			
TOTAL CASH RECEIPTS	_\$_	300,411.31	_\$_	338,500.00	_\$_	338,500.00	_\$_	**			
EXPENDITURES Instruction Support Services	\$	245,116.92	\$	276,280.20	\$	464,221.00	\$	(187,940.80)			
TOTAL EXPENDITURES	_\$_	245,116.92	\$	276,280.20	\$	464,221.00	\$	(187,940.80)			
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	55,294.39	\$	62,219.80							
UNENCUMBERED CASH, BEGINNING		70,426.61		125,721.00							
UNENCUMBERED CASH, ENDING	_\$_	125,721.00	\$	187,940.80							

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

SPECIAL EDUCATION FUND

			CURRENT YEAR									
		Prior Year <u>Actual</u>		<u>Actual</u>		<u>Budget</u>		Variance Over (Under)				
CASH RECEIPTS												
Transfers Miscellaneous	\$	585,653.77 3,860.95	\$	765,811.69 7,284.33	\$	694,211.00	\$	71,600.69 7,284.33				
TOTAL CASH RECEIPTS	\$	589,514.72	\$	773,096.02	\$	694,211.00	\$	78,885.02				
EXPENDITURES Instruction	\$	667,898.28	_\$_	781,013.98	_\$ ·	1,092,526.00	\$	(311,512.02)				
TOTAL EXPENDITURES	_\$_	667,898.28	\$	781,013.98	\$	1,092,526.00	\$	(311,512.02)				
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(78,383.56)	\$	(7,917.96)								
UNENCUMBERED CASH, BEGINNING		476,698.31	••••••••••••	398,314.75								
UNENCUMBERED CASH, ENDING	\$	398,314.75	\$	390,396.79								

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

DRIVER TRAINING FUND

			CURRENT YEAR							
	Prior Year <u>Actual</u>			<u>Actual</u>		Budget	Variance Over (Under)			
CASH RECEIPTS State of Kansas Transfers Miscellaneous	\$	3,848.00 12,000.00 -	\$	4,794.00 32,000.00	\$	3,922.00 12,000.00 -	\$	872.00 20,000.00 -		
TOTAL CASH RECEIPTS	\$	15,848.00		36,794.00		15,922.00	\$	20,872.00		
EXPENDITURES Instruction Vehicle Operations	\$	14,712.03	\$	14,709.47	\$	18,516.00	\$	(3,806.53)		
TOTAL EXPENDITURES	\$	14,712.03	\$	14,709.47	\$	18,516.00	_\$_	(3,806.53)		
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	1,135.97	\$	22,084.53						
UNENCUMBERED CASH , BEGINNING		1,456.70		2,592.67						
UNENCUMBERED CASH, ENDING	\$	2,592.67	\$	24,677.20						

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

AT RISK (K-12) FUND

			CURRENT YEAR							
		Prior Year <u>Actual</u>		<u>Actual</u>		<u>Budget</u>		Variance Over (Under)		
CASH RECEIPTS Transfers	_\$_	575,000.00	_\$_	708,034.73	_\$_	640,000.00	_\$_	68,034.73		
TOTAL CASH RECEIPTS		575,000.00		708,034.73	\$	640,000.00	\$	68,034.73		
EXPENDITURES Instruction	\$	582,543.15	\$	572,914.28	\$	690,830.00	\$	(117,915.72)		
TOTAL EXPENDITURES	\$	582,543.15	_\$_	572,914.28	\$	690,830.00	\$	(117,915.72)		
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(7,543.15)	\$	135,120.45						
UNENCUMBERED CASH, BEGINNING	·	58,373.38		50,830.23						
UNENCUMBERED CASH, ENDING	\$	50,830.23	\$	185,950.68						

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

AT RISK (4 Yr. Old) FUND

				CURRENT YEAR								
	Prior Year <u>Actual</u>			<u>Actual</u>		<u>Budget</u>		Variance Over (Under)				
CASH RECEIPTS Transfers Miscellaneous	\$	40,000.00	\$	60,000.00	\$	60,000.00	\$	-				
TOTAL CASH RECEIPTS		40,000.00	\$	60,000.00	\$	60,000.00	\$	-				
EXPENDITURES Support Services	_\$_	65,046.27	_\$	67,854.63	\$	70,960.00	_\$_	(3,105.37)				
TOTAL EXPENDITURES	\$	65,046.27	\$	67,854.63	\$	70,960.00	\$	(3,105.37)				
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(25,046.27)	\$	(7,854.63)								
UNENCUMBERED CASH, BEGINNING		36,005.68		10,959.41								
UNENCUMBERED CASH, ENDING		10,959.41	\$	3,104.78								

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

FOOD SERVICE FUND

			CURRENT YEAR							
		Prior Year <u>Actual</u>		<u>Actual</u>		<u>Budget</u>		Variance Over (Under)		
CASH RECEIPTS Food Service State of Kansas Federal Funds Transfers	\$	137,635.65 5,205.43 274,324.88	\$	142,889.84 5,162.93 280,822.58 20,890.00	\$	131,946.00 4,194.00 264,239.00 15,390.00	\$	10,943.84 968.93 16,583.58 5,500.00		
Miscellaneous	***************************************	1,269.47		1,299.89				1,299.89		
TOTAL CASH RECEIPTS		418,435.43		451,065.24	\$	415,769.00		35,296.24		
EXPENDITURES Operation and Maintenance Food Service Operation	\$	27,776.05 403,138.73	\$	24,901.98 409,068.02	\$	28,727.00 490,253.00	\$	(3,825.02) (81,184.98)		
TOTAL EXPENDITURES		430,914.78	_\$_	433,970.00	\$	518,980.00	\$	(85,010.00)		
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(12,479.35)	\$	17,095.24						
UNENCUMBERED CASH, BEGINNING		115,690.75		103,211.40						
UNENCUMBERED CASH, ENDING		103,211.40	\$	120,306.64						

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

CAPITAL OUTLAY FUND

			CURRENT YEAR							
		Prior Year <u>Actual</u>		<u>Actual</u>		<u>Budget</u>		Variance Over (Under)		
CASH RECEIPTS Interest Income Transfers Sale of Property Miscellaneous	\$	6,897.50 100,000.00 140,234.28	\$	4,014.00 - 105,506.07 68,416.44	\$	10,500.00	\$	(6,486.00) - 105,506.07		
TOTAL CASH RECEIPTS	\$	247,131.78	\$	177,936.51	\$		\$	(51,583.56) 47,436.51		
EXPENDITURES Building Repair Support Services Equipmemt Site Improvement	\$	12,611.99 142,374.61 -	\$	167,307.30 - -	\$	715,000.00	\$	(547,692.70) - -		
TOTAL EXPENDITURES	_\$_	154,986.60	_\$_	167,307.30	\$	715,000.00	\$	(547,692.70)		
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	92,145.18	\$	10,629.21						
UNENCUMBERED CASH , BEGINNING		739,172.23		831,317.41						
UNENCUMBERED CASH, ENDING	\$	831,317.41	\$	841,946.62						

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

PARENT EDUCATION FUND

				CUI	RRENT YEAR		
		Prior Year <u>Actual</u>	<u>Actual</u>		<u>Budget</u>		Variance Over (Under)
CASH RECEIPTS Transfers	\$	9,500.00	\$ 11,000.00	\$	11,000.00	_\$_	<u>.</u>
TOTAL CASH RECEIPTS		9,500.00	 11,000.00	\$	11,000.00	\$	_
EXPENDITURES Student Support Services	_\$	10,500.00	\$ 400.00	\$	11,000.00	_\$_	(10,600.00)
TOTAL EXPENDITURES	\$	10,500.00	\$ 400.00	\$	11,000.00	\$	(10,600.00)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(1,000.00)	\$ 10,600.00				
UNENCUMBERED CASH, BEGINNING		1,000.00	 -				
UNENCUMBERED CASH, ENDING		**	\$ 10,600.00				

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

PROFESSIONAL DEVELOPMENT FUND

	Prior Year <u>Actual</u>		<u>Actual</u>	<u>Budget</u>		Variance Over (Under)
CASH RECEIPTS Transfers State Aid Miscellaneous	\$ 10,000.00	\$	- - -	\$ - - -	\$	- - -
TOTAL CASH RECEIPTS	\$ 10,000.00		14	\$ -		-
EXPENDITURES Instructional Support	\$ 6,154.43	_\$_	13,367.65	\$ 13,846.00	_\$_	(478.35)
TOTAL EXPENDITURES	\$ 6,154.43	\$	13,367.65	\$ 13,846.00	\$	(478.35)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 3,845.57	\$	(13,367.65)			
UNENCUMBERED CASH , BEGINNING	 10,000.00		13,845.57			
UNENCUMBERED CASH, ENDING	\$ 13,845.57	\$	477.92			

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

BILINGUAL (ESOL) EDUCATION FUND

		CURRENT YEAR							
	Prior Year <u>Actual</u>		<u>Actual</u>		<u>Budget</u>		Variance Over (<u>Under)</u>		
CASH RECEIPTS Transfers Miscellaneous	\$ 5,000.00	\$	5,000.00	\$	5,000.00	\$	-		
TOTAL CASH RECEIPTS	\$ 5,000.00	\$	5,000.00	\$	5,000.00	\$	-		
EXPENDITURES Instructional	\$ 5,131.00	_\$_	5,000.00	_\$	5,000.00	_\$_	_		
TOTAL EXPENDITURES	\$ 5,131.00	\$	5,000.00	\$	5,000.00	\$	_		
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (131.00)	\$	-						
UNENCUMBERED CASH, BEGINNING	 131.51		0.51						
UNENCUMBERED CASH, ENDING	\$ 0.51	\$	0.51						

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

KPERS RETIREMENT CONTRIBUTION FUND

				CU	RRENT YEAR		
		Prior Year <u>Actual</u>	<u>Actual</u>		<u>Budget</u>		Variance Over (Under)
CASH RECEIPTS State of Kansas Miscellaneous	\$	274,650.92	\$ 467,543.56	\$	501,238.00	\$	(33,694.44)
TOTAL CASH RECEIPTS	_\$_	274,650.92	 467,543.56	\$	501,238.00	\$	(33,694.44)
EXPENDITURES KPERS Contributions	_\$_	274,650.92	\$ 467,543.56	\$	501,238.00	\$	(33,694.44)
TOTAL EXPENDITURES	\$	274,650.92	\$ 467,543.56	_\$	501,238.00	\$	(33,694.44)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	-	\$ -				
UNENCUMBERED CASH, BEGINNING			 and the second s				
UNENCUMBERED CASH, ENDING	\$		\$ _				

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

SMALL GRANTS FUND

				₹			
		Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>		Variance Over (Under)	
CASH RECEIPTS Grant Revenue Miscellaneous	\$	650.00	\$ -	\$ - 250.00	\$	- (250.00)	
TOTAL CASH RECEIPTS	\$	650.00	\$ The Control of the Co	\$ 250.00	\$	(250.00)	
EXPENDITURES Instruction Miscellaneous	\$	985.00	\$ -	\$ 1,100.00	\$	(1,100.00)	
TOTAL EXPENDITURES	\$	985.00	\$ 	\$ 1,100.00	\$	(1,100.00)	
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(335.00)	\$ -				
UNENCUMBERED CASH , BEGINNING	***************************************	17,344.35	 17,009.35				
UNENCUMBERED CASH, ENDING	\$	17,009.35	\$ 17,009.35				

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

VIRTUAL EDUCATION FUND

				CU	RRENT YEAR	₹		
		Prior Year <u>Actual</u>	<u>Actual</u>		<u>Budget</u>		Variance Over (Under)	
CASH RECEIPTS Transfers Miscellaneous	\$	80,000.00	\$ 76,000.00	\$	56,000.00	\$	20,000.00	
TOTAL CASH RECEIPTS		80,000.00	\$ 76,000.00	\$	56,000.00	\$	20,000.00	
EXPENDITURES Instruction Operation & Maintenance	\$	34,229.48	\$ 67,500.44	\$	121,322.00	\$	(53,821.56)	
TOTAL EXPENDITURES	_\$	34,229.48	\$ 67,500.44	_\$_	121,322.00		(53,821.56)	
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	45,770.52	\$ 8,499.56					
UNENCUMBERED CASH, BEGINNING		19,551.92	 65,322.44					
UNENCUMBERED CASH, ENDING	\$	65,322.44	\$ 73,822.00					

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

RECREATION COMMISSION FUND

		Prior Year <u>Actual</u>		<u>Actual</u>		Budget		Variance Over (Under)
CASH RECEIPTS Ad Valorem Tax Delinquent Tax	\$	92,692.22 4,633.37	\$	86,947.04 4,274.48	\$	82,402.00 2,258.00	\$	4,545.04 2,016.48
Motor Vehicle Tax Recreational Vehicle Tax Other Taxes	************	11,568.65 219.64 624.36	1./	11,113.26 - 586.02		12,675.00		(1,561.74) - 353.02
TOTAL CASH RECEIPTS		109,738.24	\$	102,920.80	\$	97,568.00	\$	5,352.80
EXPENDITURES Community Service Operations	_\$_	105,380.00	\$	106,665.00	_\$_	106,665.00	\$	
TOTAL EXPENDITURES		105,380.00	\$	106,665.00	_\$_	106,665.00	\$	-
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	4,358.24	\$	(3,744.20)				
UNENCUMBERED CASH, BEGINNING		4,739.26		9,097.50				
UNENCUMBERED CASH, ENDING	\$	9,097.50	_\$_	5,353.30				

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

RECREATION COMMISSION EMPLOYEE BENEFIT FUND

			CURRENT YEAR							
		Prior Year <u>Actual</u>		<u>Actual</u>		Budget		Variance Over (Under)		
CASH RECEIPTS Ad Valorem Tax Delinquent Tax Motor Vehicle Tax Recreational Vehicle Tax Other Taxes	\$	5,860.51 275.79 610.82 11.54 30.51	\$	5,664.51 259.28 710.62 31.11	\$	5,656.00 143.00 808.00	\$	8.51 116.28 (97.38) - 16.11		
TOTAL CASH RECEIPTS	\$	6,789.17	\$	6,665.52	\$	6,622.00	\$	43.52		
EXPENDITURES Community Service Operations	\$	6,572.00	\$	7,165.00	\$	7,165.00	_\$_	<u>-</u>		
TOTAL EXPENDITURES	_\$	6,572.00	\$	7,165.00		7,165.00	\$	_		
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	217.17	\$	(499.48)						
UNENCUMBERED CASH, BEGINNING		326.39		543.56						
UNENCUMBERED CASH, ENDING	\$	543.56	\$	44.08						

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

CONTINGENCY RESERVE FUND

		Prior Year <u>Actual</u>			Current Year <u>Actual</u>
CASH RECEIPTS Transfer	\$	-		\$	
TOTAL CASH RECEIPTS	_\$_			\$_	-
EXPENDITURES Transfers	_\$_		_ 9	\$	259,772.00
TOTAL EXPENDITURES	_\$_	_		\$	259,772.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	-	\$	\$	(259,772.00)
UNENCUMBERED CASH, BEGINNING		607,771.54			607,771.54
UNENCUMBERED CASH, ENDING		607,771.54	. <u>\$</u>	\$	347,999.54

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

INDIAN EDUCATION FUND

	Prior Year <u>Actual</u>		Current Year <u>Actual</u>
CASH RECEIPTS Federal Grant Miscellaneous	\$ 96,250.00 13.00	-	\$ 98,143.00
TOTAL CASH RECEIPTS	 96,263.00	-	\$ 98,143.00
EXPENDITURES Instruction	\$ 96,263.00	-	\$ 98,143.00
TOTAL EXPENDITURES	\$ 96,263.00		\$ 98,143.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ -		\$ -
UNENCUMBERED CASH , BEGINNING	 -	_	 · .
UNENCUMBERED CASH, ENDING	\$ 	=	\$ -

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

ADVANCED PLACEMENT PROGRAM FUND

	Prior Year <u>Actual</u>		Current Year <u>Actual</u>
CASH RECEIPTS Federal Grant Miscellaneous	\$ 13,625.00	_	\$ 10,931.00
TOTAL CASH RECEIPTS	 13,625.00	-	\$ 10,931.00
EXPENDITURES Instruction	\$ 14,765.18		\$ 9,756.00
TOTAL EXPENDITURES	\$ 14,765.18	-	\$ 9,756.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (1,140.18)		\$ 1,175.00
UNENCUMBERED CASH, BEGINNING	 0.52	-	 (1,139.66)
UNENCUMBERED CASH, ENDING	\$ (1,139.66)	=	\$ 35.34

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

TITLE I FUND

	Prior Year <u>Actual</u>		Current Year <u>Actual</u>
CASH RECEIPTS Federal Aid Transfers	\$ 82,461.00 21,728.00	_	\$ 160,270.00 19,100.00
TOTAL CASH RECEIPTS	\$ 104,189.00	_	\$ 179,370.00
EXPENDITURES Instruction	\$ 147,956.47	_	\$ 168,485.91
TOTAL EXPENDITURES	\$ 147,956.47	_	\$ 168,485.91
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (43,767.47)		\$ 10,884.09
UNENCUMBERED CASH , BEGINNING	 3,556.22		 (40,211.25)
UNENCUMBERED CASH, ENDING	\$ (40,211.25)	; 	\$ (29,327.16)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

TITLE II A - TEACHER QUALITY FUND

	Prior Year <u>Actual</u>		Current Year <u>Actual</u>
CASH RECEIPTS Federal Aid	 40,751.00	-	\$ 43,448.00
TOTAL CASH RECEIPTS	\$ 40,751.00	-	\$ 43,448.00
EXPENDITURES Instruction Transfers	\$ 23,280.51 21,508.00	_	\$ 18,870.90 19,100.00
TOTAL EXPENDITURES	\$ 44,788.51	-	\$ 37,970.90
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (4,037.51)		\$ 5,477.10
UNENCUMBERED CASH, BEGINNING	 (1,439.59)	-	 (5,477.10)
UNENCUMBERED CASH, ENDING	\$ (5,477.10)	<u>=</u>	\$ 0.00

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

TITLE V - CHARTER SCHOOL 2010-11 FUND

	Prior Year <u>Actual</u>		Current Year <u>Actual</u>
CASH RECEIPTS Federal Aid	\$ 177,098.00	_\$_	17,902.00
TOTAL CASH RECEIPTS	 177,098.00	_\$_	17,902.00
EXPENDITURES Instructional	\$ 191,642.57	\$	3,357.00
TOTAL EXPENDITURES	\$ 191,642.57	_\$_	3,357.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (14,544.57)	\$	14,545.00
UNENCUMBERED CASH, BEGINNING	 _		(14,544.57)
UNENCUMBERED CASH, ENDING	\$ (14,544.57)	\$	0.43

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

TITLE V - CHARTER SCHOOL 2010 FUND

	Prior Year <u>Actual</u>			Current Year <u>Actual</u>	
CASH RECEIPTS Federal Aid	_\$	23,100.00		\$	
TOTAL CASH RECEIPTS	\$	23,100.00		\$	N-0
EXPENDITURES Instructional Administration	\$	8,735.24 		\$	<u>-</u>
TOTAL EXPENDITURES	\$	8,735.24		\$	au.
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	14,364.76		\$	-
UNENCUMBERED CASH, BEGINNING	 	(14,364.76)		***************************************	_
UNENCUMBERED CASH, ENDING	\$	-	:	\$	_

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

J. R. BROWN SCHOLARSHIP FUND

		Prior Year <u>Actual</u>		Current Year <u>Actual</u>	
CASH RECEIPTS Interest Earned	_\$	44.28	\$	37.28	
TOTAL CASH RECEIPTS	_\$	44.28		37.28	
EXPENDITURES Scholarships	\$	500.00	\$	500.00	
TOTAL EXPENDITURES	\$	500.00	\$	500.00	
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(455.72)	\$	(462.72)	
UNENCUMBERED CASH, BEGINNING		18,341.02	·	17,885.30	
UNENCUMBERED CASH, ENDING	\$	17,885.30	\$	17,422.58	

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

CHARLES LINGLE SCHOLARSHIP FUND

		Prior Year <u>Actual</u>		ł	Current Year <u>Actual</u>
CASH RECEIPTS Interest Earned	\$	4.69	9	\$	1.02
TOTAL CASH RECEIPTS	_\$	4.69	_9	\$	1.02
EXPENDITURES Scholarships	\$	250.00	9	<u> </u>	250.00
TOTAL EXPENDITURES	\$	250.00	_9	<u> </u>	250.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(245.31)	\$	\$	(248.98)
UNENCUMBERED CASH, BEGINNING		1,363.67			1,118.36
UNENCUMBERED CASH, ENDING	\$	1,118.36	_\$	<u> </u>	869.38

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

SAMUEL B. AND HATTIE C. WOODS SCHOLARSHIP FUND

	Prior Year <u>Actual</u>			Current Year <u>Actual</u>	
CASH RECEIPTS Interest Earned Donations	\$	49.92	:	\$	28.48
TOTAL CASH RECEIPTS		49.92	<u></u>	\$	28.48
EXPENDITURES Scholarships	\$	500.00		\$	500.00
TOTAL EXPENDITURES	\$	500.00		\$	500.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$	(450.08)	;	\$	(471.52)
UNENCUMBERED CASH, BEGINNING		11,103.41			10,653.33
UNENCUMBERED CASH, ENDING	\$	10,653.33	<u>.</u>	\$	10,181.81

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

BOND AND INTEREST FUND

	Prior Year <u>Actual</u>		Current Year <u>Actual</u>
CASH RECEIPTS County Taxes Miscellaneous	\$ 0.53	-	\$ _
TOTAL CASH RECEIPTS	 0.53	-	\$ **
EXPENDITURES Fund Expenses	\$ 	-	\$
TOTAL EXPENDITURES	\$ -	-	\$ _
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 0.53		\$ -
UNENCUMBERED CASH, BEGINNING	 86.14	-	 86.67
UNENCUMBERED CASH, ENDING	\$ 86.67	=	\$ 86.67

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH AGENCY FUNDS

For the Year Ended June 30, 2012

	Fund	HIGH SCHOOL	Anime Club	At Risk	Bullpup Observer	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015	Class of 2016	Class of 2017	Color Guard	Debate - Forensics	Equus Club	F.B.L.A.	F.C.A Senior	F.F.A.	F.C.C.L.A.	Senior Cheerleaders	Junior High Cheerleaders	Kane-Kan	Library Store	NASA	National Honor Society	Music	PAWS	Photography	Playmakers	Robotics	Scholars Bowi	Student Council - Junior High	Student Council - Senior High	Teacher Pop/Flower	Wellness Program	SUB-TOTAL HIGH SCHOOL
Ending Cash Ralance	June 30, 2012		\$ 813.51	3,291.41	2,344.31	r	476.18	2,017.27	3,498.17	1,321.64	1,580.91	441.66	33.82	1,418.52	151.39	369.27	197.95	2,175.23	1,074.91	1,730.80	1,714.37	15,307.04	2,041.49	100.00	253.65	3,104.88	796.48	793.04	2,539.68	10.00	14.38	1,271.79	2,512.83	822.64	4,041.18	\$ 58,260.40
Outstanding Encumbrances and Accounts	Payable																																			; €7
Ending Unencumbered Cash Balance	June 30, 2012		\$ 813.51	3,291.41	2,344.31	1	476.18	2,017.27	3,498.17	1,321.64	1,580.91	441.66	33.82	1,418.52	151.39	369.27	197.95	2,175.23	1,074.91	1,730.80	1,714.37	15,307.04	2,041.49	100.00	253.65	3,104.88	796.48	793.04	2,539.68	10.00	14.38	1,271.79	2,512.83	822.64	4,041.18	\$ 58,260.40
	Expenditures		\$ 2,103.40	3,154.16	240.00	750.82	2,032.92	8,463.40	308.64	100.10	22.82	770.88	983.54	2,512.94			236.24	53,393.70	3,765.72	7,332.73	3,604.91	12,197.93			109.93	32,447.22	834.34	223.84	1,667.28		31.53	7,215.57	6,160.55	1,882.40	1,298.19	\$ 153,845.70
Cash	Receipts		\$ 2,318.55	1,789.38	761.00		535.00	7,207.49	1,567.70	336.86	485.00	1,212.54		2,534.87			404.75	49,750.29	4,806.48	6,868.33	5,157.17	18,951.01	317.75		279.25	23,152.07	893.00	149.00	1,236.45			7,728.58	3,243.64	1,262.87	4,160.00	\$ 147,109.03
Prior Year Cancelled	Encumbrances		ı ن	1	1	1	•	1	1	1	•	1	ı	1	1	•	1	1	,	1	1	ı	•	•	t	•	•	1	1	•	1	1	1	•	=	€9
Beginning Unencumbered Cash Balance			'n	4,656.19	1,823.31	750.82	1,974.10	3,273.18	2,239.11	1,084.88	1,118.73	1	1,017.36	1,396.59	151.39	369.27	29.44	5,818.64	34.15	2,195.20	162.11	8,553.96	1,723.74	100.00	84.33	12,400.03	737.82	867.88	2,970.51	10.00	45.91	758.78	5,429.74	1,442.17	1,179.37	\$ 64,997.07
	Fund	HIGH SCHOOL	Anime Club	At Risk	Bullpup Observer	Class of 2011	Class of 2012	Class of 2013	Class of 2014	Class of 2015	Class of 2016	Class of 2017	Color Guard	Debate - Forensics	Equus Club	F.B.L.A.	F.C.A Senior	F.F.A.	F.C.C.L.A.	Senior Cheerleaders	Junior High Cheerleaders	Kane-Kan	Library Store	NASA	National Honor Society	Music	PAWS	Photography	Playmakers	Robotics	Scholars Bowl	Student Council - Junior High	Student Council - Senior High	Teacher Pop/Flower	Wellness Program	SUB-TOTAL HIGH SCHOOL

AGENCY FUNDS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

e <u>Fund</u>	ELEMENTARY SCHOOL Annual Music Band Books Student Council	\$ 18,358,67 SUBTOTAL ELEMENTARY SCHOOL	CHARTER SCHOOL Graphics Class	5,596.55_ SUBTOTAL CHARTER SCHOOL	TOTAL AGENCY FUNDS
Ending Cash Balance June 30, 2012	\$ 563.46 1,416.50 267.03 84.61 15,492.28 534.79	\$ 18,358.67	\$ 5,596.55	\$ 5,596.55	\$ 82,215.62
Outstanding Encumbrances and Accounts Payable	,	€	φ		О
Ending Unencumbered Cash Balance June 30, 2012	\$ 563.46 1,416.50 267.03 84.61 15,492.28 534.79	\$ 18,358.67	\$ 5,596.55	\$ 5,596.55	\$ 82,215.62
Expenditures	\$ 329.57 5,219.43	\$ 7,165.39	\$ 9,391.63	\$ 9,391.63	\$ 170,402.72
Cash Receipts	\$ 321.33 260.00 198.75 7,916.20 2,151.18	\$ 10,847.46	\$ 10,394.18	\$ 10,394.18	\$ 168,350.67
Prior Year Cancelled Encumbrances	φ.	ı О Э	Ф	У	· •
Beginning Unencumbered Cash Balance July 1, 2011	571.70 1,156.50 68.28 84.61 12,795.51	14,676.60	4,594.00	4,594.00	84,267.67
5 g J	φ.	69	69	မာ	ь
Fund	ELEMENTARY SCHOOL Library Music Band Books Student Council Building Fund	SUBTOTAL ELEMENTARY SCHOOL \$ 14,676.60	CHARTER SCHOOL Graphics Class	SUBTOTAL CHARTER SCHOOL	TOTAL AGENCY FUNDS

UNIFIED SCHOOL DISTRICT NO. 436 Caney, KANSAS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

DISTRICT ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY

Unified School District No. 436 is a municipal corporation governed by an elected sevenmember board. These statutory basis financial statements include transactions of the primary government only.

The District's summary of cash receipts, cash disbursements and unencumbered cash includes the accounts of all District operations. The District's major operations include primary and secondary education of young people in the Caney, Kansas school district. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

2. BASIS OF PRESENTATION - FUND ACCOUNTING

A fund is defined as an independent fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of Unified School District 436, Caney, Kansas, for the year ended June 30, 2012.

Governmental Funds:

<u>General Fund</u> – to account for all unrestricted resources except those required to be accounted for in another fund.

<u>Special Revenue Funds</u> – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Debt Service Funds</u> – to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of Unified School District 436, Caney, Kansas.

Fiduciary Funds:

<u>Trust Funds</u> – to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, and (c) Pension Trust Funds.

3. BASIS OF ACCOUNTING

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased except as disclosed below. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and expenditure would be charged in the fund from which the transfer is made.

The Kansas Legislature passed a law [KSA 72-64176(d) and KSA 72-6434(d)] requiring all school districts to record, as received by June 30 of each fiscal year, all required state aid distributions for that year made by the Kansas Department of Education regardless of when received by the School District. For the current audit period, the State of Kansas did not make its final state aid distribution until July 6, 2012 in the amount of \$530,825.00, and the District recorded this as a June 30, 2012 receipt. Under accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, this money should have been receipted in the fiscal year ended June 30, 2013.

The District passed a Resolution dated July 12, 2011 to waive the annual requirement of generally accepted accounting principles and fixed asset accounting for the year ended June 30, 2012, in conformity with K.S. A. 75-1120a (c)(1), and allowing the District to use the statutory basis of accounting.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended during the year ended June 30, 2012.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting. Revenues are recognized when cash is received except as described in Footnote A-3. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for Trust Funds and the following Special Revenue Funds:

Contingency Reserve Fund
Indian Education Fund
Advanced Placement Program Fund
Title I Fund
Title II A - Teacher Quality Fund
Title V - Charter School 2010-11 Fund
Title V - Charter School 2010 Fund
District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirements, are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. COMPLIANCE WITH KANSAS STATUTES AND OTHER FINANCE RELATED LEGAL MATTERS

Management of the District is not aware of any violations of compliance with Kansas Statutes or violations of other finance related legal matters.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the

Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits of the primary government were legally secured at June 30, 2012.

At year-end the carrying amount of the District's (primary government's) deposits, including certificates of deposit, was \$2,832,531.96. The bank balance and certificates of deposit was \$2,902,459.00. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank, resulting in a concentration of credit risk; however, certificates of deposit totaling \$1,000,000.00 have been issued through the Certificate of Deposit Account Registry Service (CDARS). Of the total balance \$1,250,000.00 was covered by FDIC insurance, \$1,652,459.00 was collateralized by pledged securities held by the pledging financial institution's agents in the District's name.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2012, the District had no investments.

NOTE D - INTERFUND TRANSFERS

Operating transfers were as follows:

- p		Statutory					
<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>				
General	Vocational Education	K.S.A. 72-6428	\$ 286,000.00				
General	Special Education	K.S.A. 72-6428	652,211.00				
General	Bilingual Education	K.S.A. 72-6428	5,000.00				
General	Food Service	K.S.A. 72-6428	5,500.00				
General	Virtual Education	K.S.A. 72-6428	56,000.00				
General	At Risk (K-12)	K.S.A. 72-6428	578,034.73				
Supplemental General	Special Education	K.S.A. 72-6428	113,600.69				
Supplemental General	At Risk (4-Yr. Old)	K.S.A. 72-6428	60,000.00				
Supplemental General	At Risk (K-12)	K.S.A. 72-6428	130,000.00				
Supplemental General	Parent Education	K.S.A. 72-6428	11,000.00				
Supplemental General	Driver Training	K.S.A. 72-6428	32,000.00				
Supplemental General	Vocational Education	K.S.A. 72-6428	52,500.00				
Supplemental General	Virtual Education	K.S.A. 72-6428	20,000.00				
Supplemental General	Food Service	K.S.A. 72-6428	15,390.00				
Contingency Reserve	General	K.S.A. 72-6428	259,772.00				
Title IIA	Title I	K.S.A. 72-6428	19,100.00				

NOTE E - LONG TERM DEBT AND CAPITAL LEASES

During the year ended June 30, 2012, no long-term debt was outstanding.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters for which the District carries commercial insurance. Settlements of claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

PLAN NOTE G - DEFINED BENEFIT PENSION

Plan description. The District contributes to in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Members-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044, and \$248,848,186, respectively, equal to the required contributions as set forth by the State legislature each year. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$467,543, \$274,651, and \$318,961.

NOTE H – FLEXIBLE BENEFIT PLAN (I.R.C. SECTION 125)

The Board adopted a salary-reduction flexible benefit plan under Section 125 of the Internal Revenue Code. All full time employees of the District are eligible to participate in the plan beginning the first day of the month following employment. Each employee may elect to reduce his or her salary to purchase benefits through the plan. Currently benefits offered through the plan involve health insurance, cancer insurance, and advantage disability insurance.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE I – OTHER POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

NOTE J - COMPENSATED ABSENCES

EMPLOYEE VACATION AND SICK PAY

All non-certified employees plus the Superintendent rendering service throughout the entire year are eligible for vacation benefits varying from one (1) week vacation to four (4) weeks vacation. Vacation benefits are determined based on years of employment. Unused vacation earned during the current year may be carried past June 30, but must be used by the following December 31st. After this date, the leave will be forfeited.

Each employee is entitled to one (1) day of sick leave for each month contracted plus one day. Unused sick leave may accumulate to 50 days. The Board of Education will pay 100% of the substitute teacher rate for loss of sick leave over 50 days. This amount will be paid in June based on the current year's substitute rate for full time employees. Upon retirement, if the employee has ten (10) years of continuous service to the School District and qualifies for KPERS Retirement, the Board of Education will purchase unused sick leave at a rate based on 100% of the substitute teachers' rate of pay.

All full time personnel shall be entitled to three (3) days personal leave with pay per year. The three days shall be used at the discretion of each employee, except that personal leave shall be limited during the last two weeks of school and the duty day before or after a holiday. At the end of the year, classified staff and special services employees will be compensated for unused personal leave at the substitute daily pay rate. Payment will be included in the June payroll. Personal leave will not accumulate.

The liability for accrued vacation and sick pay is not reflected on the financial statements. Neither the actual or estimated amount of the liability could be reasonably estimated at June 30, 2012. The cost of vacation and sick pay are recognized as expenditures when paid.

NOTES TO FINANCIAL STATEMENTS

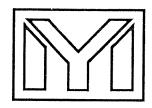
June 30, 2012

NOTE K – USE OF ESTIMATES

The preparation of statutory basis financial statements required management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

NOTE L- CONTINGENT LIABILITIES

Management of the District and its Legal Counsel are not aware of any litigation involving the District at this time.



YERKES & MICHELS, CPA, LLC

John D. Carroll, CPA Carmen R. Duroni, CPA

Randy Hoffman

CERTIFIED PUBLIC ACCOUNTANTS

American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education Unified School District No. 436 Caney, KS 67333

We have audited the statutory basis financial statements of Unified School District No. 436, Caney, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated January 24, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*.

Internal Control Over Financial Reporting

Management of Unified School District No. 436, Caney, Kansas is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

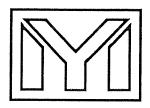
As part of obtaining reasonable assurance about whether the District's statutory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the District in a separate letter dated January 24, 2013.

This report is intended solely for the information and use of the Board of Education of the Unified School District No. 436, Caney, Kansas, management, federal awarding agencies and pass through entities and for filing with the State of Kansas, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

YERKES & MICHELS, CPA, LLC

January 24, 2013



YERKES & MICHELS, CPA, LLC

John D. Carroll, CPA Carmen R. Duroni, CPA

Randy Hoffman

CERTIFIED PUBLIC ACCOUNTANTS

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Kansas Society of Certified Public Accountants
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

Board of Education Unified School District No. 436 Caney, KS 67333

Compliance

We have audited Unified School District No. 436, Caney, Kansas's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Kansas Municipal Audit Guide*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Unified School District No. 436, Caney, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Unified School District No. 436, Caney, Kansas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education of Unified School District No. 436, Caney, Kansas, management, and federal awarding agencies and pass-through entities and for filing with the State of Kansas, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

January 24, 2013

UNIFIED SCHOOL DISTRICT NO. 436 CANEY, KANSAS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

		Exp	enditures
Agency:	CFDA#	<u>(Statu</u>	<u>ıtory Basis)</u>
U.S. Department of Education			
Received Directly:			
Indian Education	84.060	\$	98,143
Passed through the Kansas Dept. of Education:			
Title I Cluster			
Title I, Part A Grants to LEAs	84.010	\$	168,486
Total Title I Cluster		\$	168,486
ARRA - Education Jobs Fund	84.410	\$	2,797
Advanced Placement	84.330		9,756
Charter Schools	84.282		3,357
Title IIa Improving Teacher Quality	84.367	***************************************	18,871
TOTAL U.S. DEPARTMENT OF EDUCATION		\$	301,410
U.S. Department of Agriculture			
Passed through the Kansas Dept. of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$	69,594
National School Lunch Program/			
Cash for Commodities	10.555		211,228
Total Child Nutrition Cluster		\$	280,822
TOTAL U.S. DEPARTMENT OF AGRICULTURE		\$	280,822
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$	582,232

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas with one exception as noted in Note 2. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable and encumbrances.

Note 2. Expenditures of Funds Transferred from One Program to Another

The District chose to transfer the allowable percentage of Title IIa funds to the Title Ia program. The funds transferred to Title Ia are included the total Title Ia expenditures listed in the Schedule of Expenditures of Federal Awards. These funds were also included in the audit universe for Title Ia as a major program and total expenditures of Title Ia for determination of Type A programs.

UNIFIED SCHOOL DISTRICT NO. 436 CANEY, KANSAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements Type of auditor's report issued: Unqualified Internal control over financial reporting: Material weakness(es) identified? __ yes X no Significant deficiency(ies) identified? X__ no ____ yes Noncompliance material to financial statements noted? X no ____ yes Federal Awards Internal control over major programs: Material weakness(es) identified? __X __no yes Significant deficiency(ies) identified? ____ yes <u> X no</u> Type of auditor's report issued on compliance for major programs: Unqualified Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X no ___ yes Identification of major program: **CFDA Number** Name of Federal Program or Cluster 84.010 Title I, Part A Grants to LEAs Dollar Threshold used to distinguish between Type A and Type B programs: \$ 300,000 Auditee qualified as low risk auditee? X yes

UNIFIED SCHOOL DISTRICT NO. 436 CANEY, KANSAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section II - Financial Statement Findings

No matters reported.

Section III - Federal Award Findings and Questioned Costs

Title I, Part A Grants to LEAs - CFDA 84.010:

No matters reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2012

Finding 2011-01:

A lack of segregation of duties was considered to be a significant deficiency in the prior audit. Based on consideration of current duty segregation and mitigating controls, this finding appears to be sufficiently addressed.